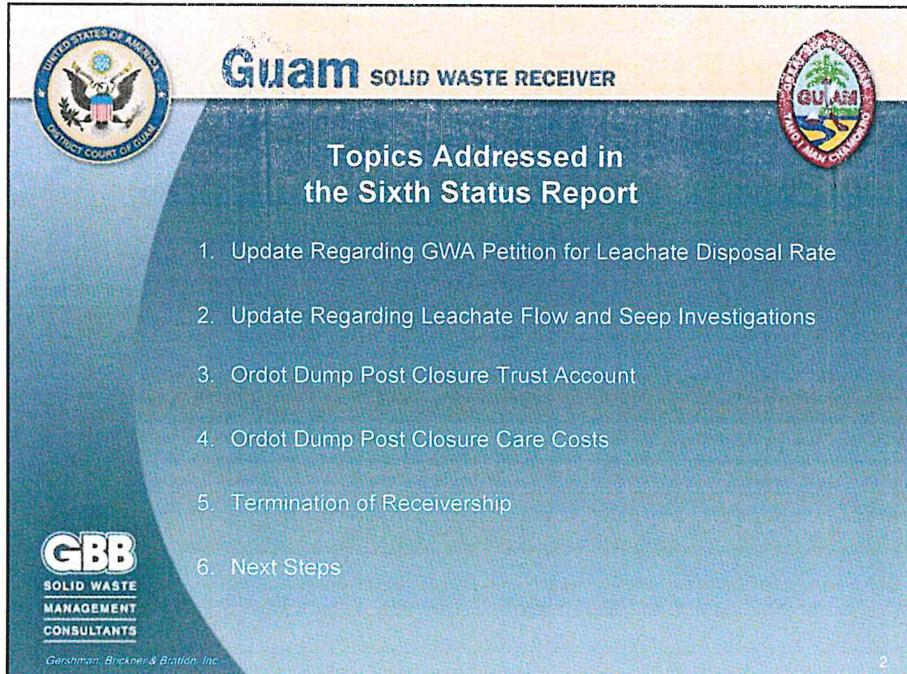
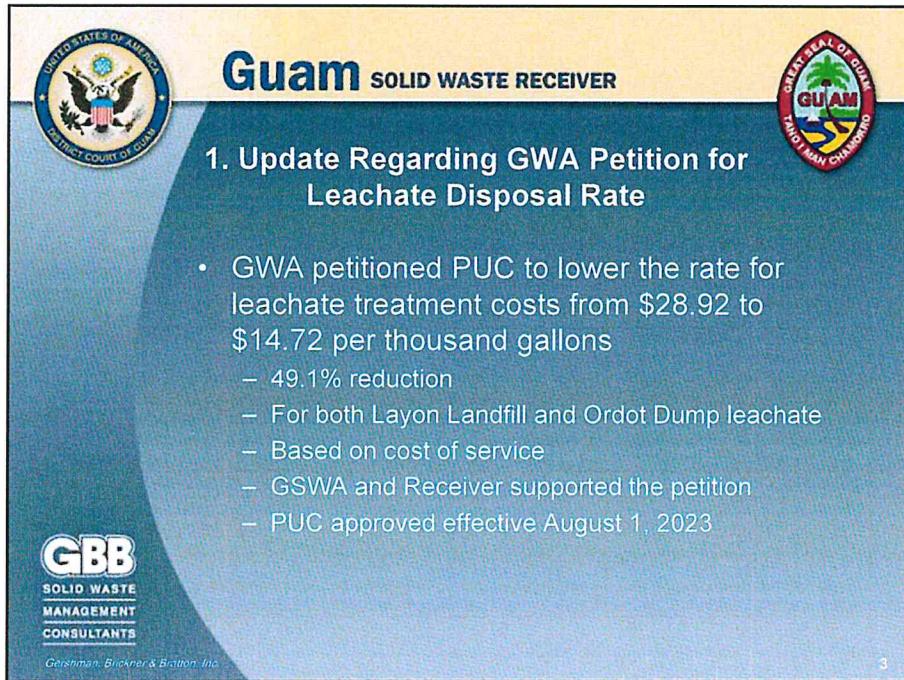


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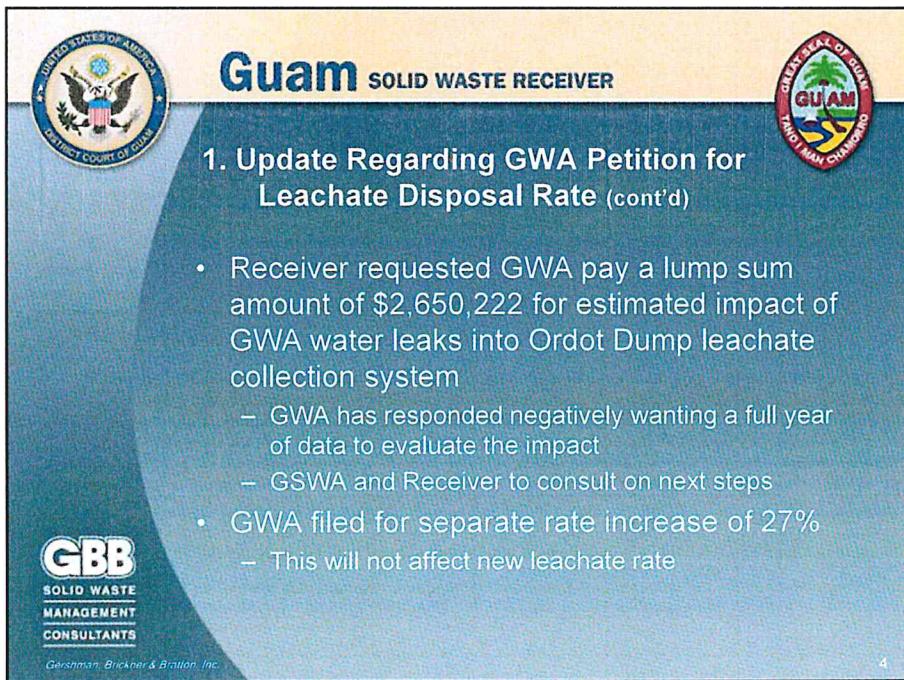
1. Update Regarding GWA Petition for Leachate Disposal Rate

- GWA petitioned PUC to lower the rate for leachate treatment costs from \$28.92 to \$14.72 per thousand gallons
 - 49.1% reduction
 - For both Layon Landfill and Ordot Dump leachate
 - Based on cost of service
 - GSWA and Receiver supported the petition
 - PUC approved effective August 1, 2023

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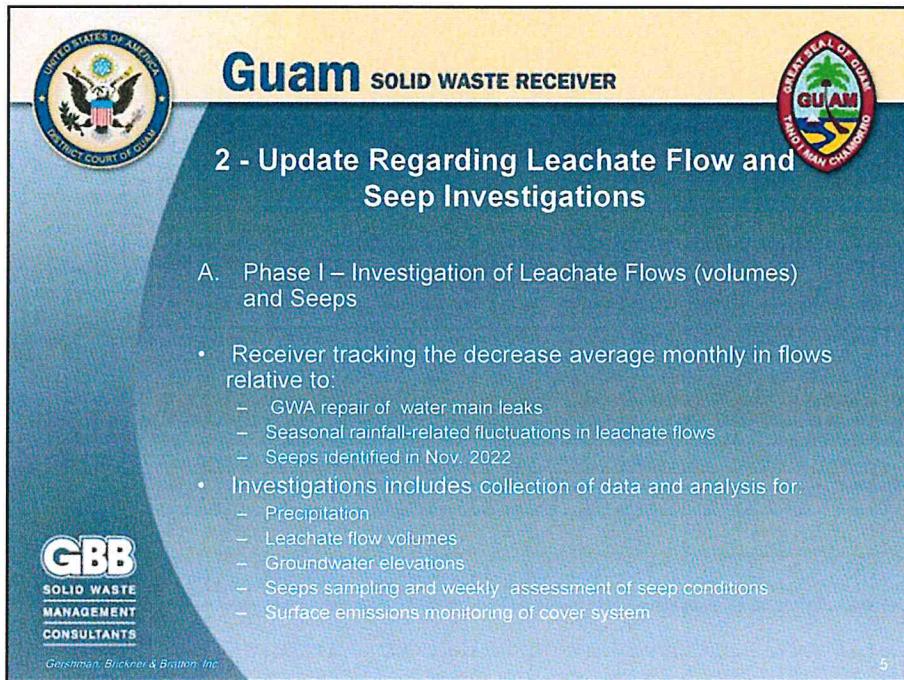
1. Update Regarding GWA Petition for Leachate Disposal Rate (cont'd)

- Receiver requested GWA pay a lump sum amount of \$2,650,222 for estimated impact of GWA water leaks into Ordot Dump leachate collection system
 - GWA has responded negatively wanting a full year of data to evaluate the impact
 - GSWA and Receiver to consult on next steps
- GWA filed for separate rate increase of 27%
 - This will not affect new leachate rate

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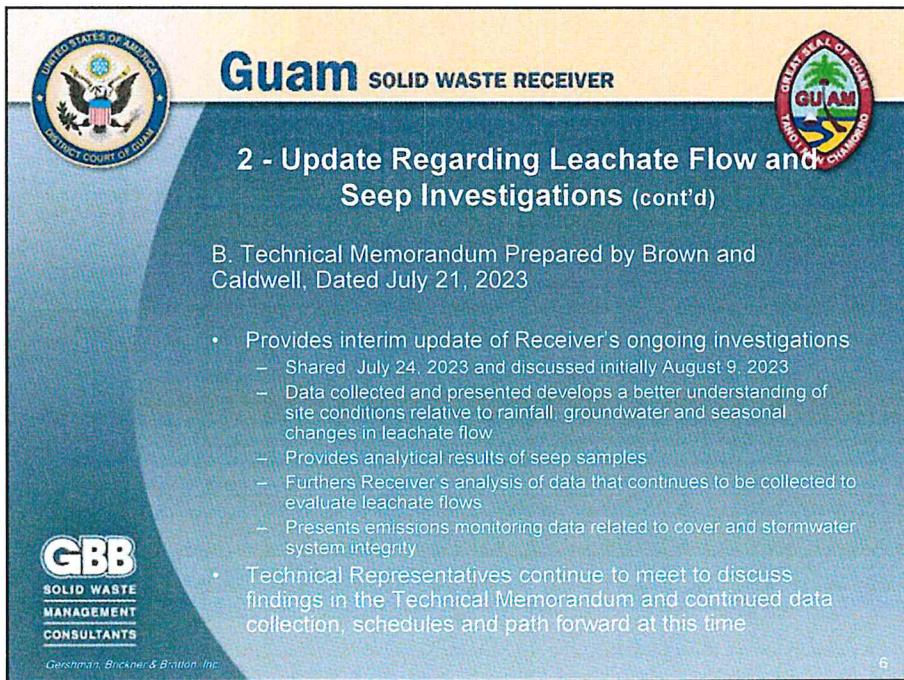
2 - Update Regarding Leachate Flow and Seep Investigations

A. Phase I – Investigation of Leachate Flows (volumes) and Seeps

- Receiver tracking the decrease average monthly in flows relative to:
 - GWA repair of water main leaks
 - Seasonal rainfall-related fluctuations in leachate flows
 - Seeps identified in Nov. 2022
- Investigations includes collection of data and analysis for:
 - Precipitation
 - Leachate flow volumes
 - Groundwater elevations
 - Seeps sampling and weekly assessment of seep conditions
 - Surface emissions monitoring of cover system

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2 - Update Regarding Leachate Flow and Seep Investigations (cont'd)

B. Technical Memorandum Prepared by Brown and Caldwell, Dated July 21, 2023

- Provides interim update of Receiver's ongoing investigations
 - Shared July 24, 2023 and discussed initially August 9, 2023
 - Data collected and presented develops a better understanding of site conditions relative to rainfall, groundwater and seasonal changes in leachate flow
 - Provides analytical results of seep samples
 - Further Receivers analysis of data that continues to be collected to evaluate leachate flows
 - Presents emissions monitoring data related to cover and stormwater system integrity
- Technical Representatives continue to meet to discuss findings in the Technical Memorandum and continued data collection, schedules and path forward at this time

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2 - Update Regarding Leachate Flow and Seep Investigations (cont'd)

C. Installation of Leachate Flow Meter

- New flow meter installed on the leachate force main pipe to serve as a calibration check with GWA meter that is used for leachate flow measurement
- At the time of the preparation of this report the meter had not been calibrated for operation
- Receiver can report that on the date of this Hearing, the meter has been calibrated and is in operation

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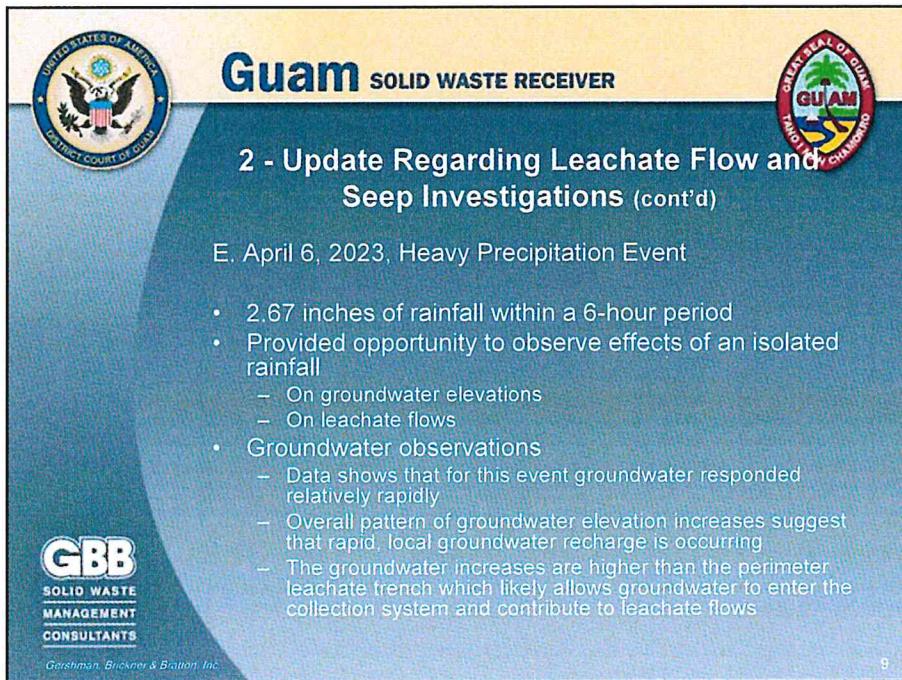
2 - Update Regarding Leachate Flow and Seep Investigations (cont'd)

D. Additional Data Collection Through 2023

- Receiver continues to collect data in the categories described earlier under Phase I
- Data will be collected at a minimum through December 2023 and used to update the leachate and seeps investigation

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2 - Update Regarding Leachate Flow and Seep Investigations (cont'd)

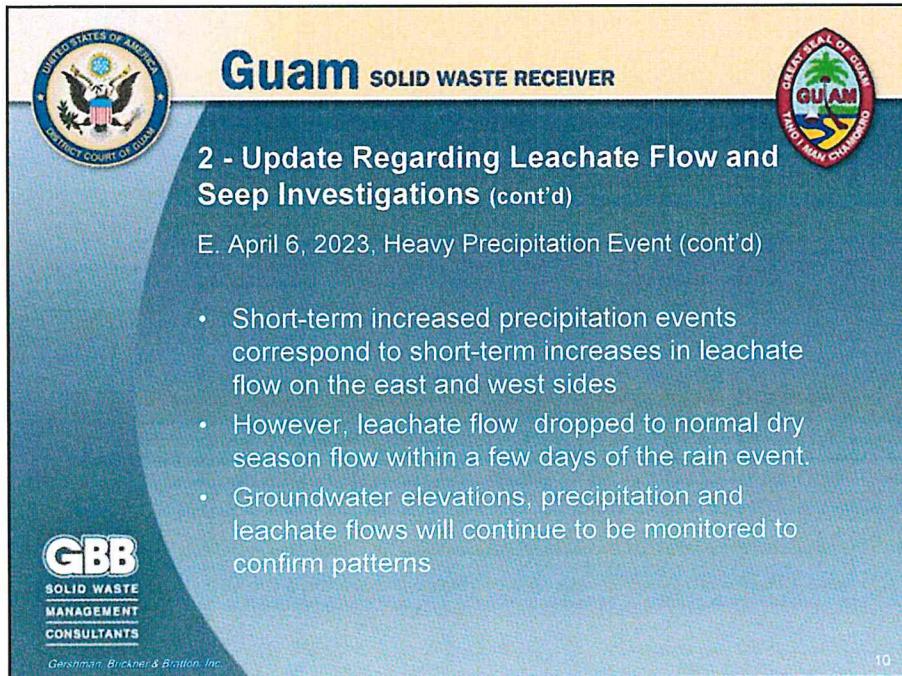
E. April 6, 2023, Heavy Precipitation Event

- 2.67 inches of rainfall within a 6-hour period
- Provided opportunity to observe effects of an isolated rainfall
 - On groundwater elevations
 - On leachate flows
- Groundwater observations
 - Data shows that for this event groundwater responded relatively rapidly
 - Overall pattern of groundwater elevation increases suggest that rapid, local groundwater recharge is occurring
 - The groundwater increases are higher than the perimeter leachate trench which likely allows groundwater to enter the collection system and contribute to leachate flows

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2 - Update Regarding Leachate Flow and Seep Investigations (cont'd)

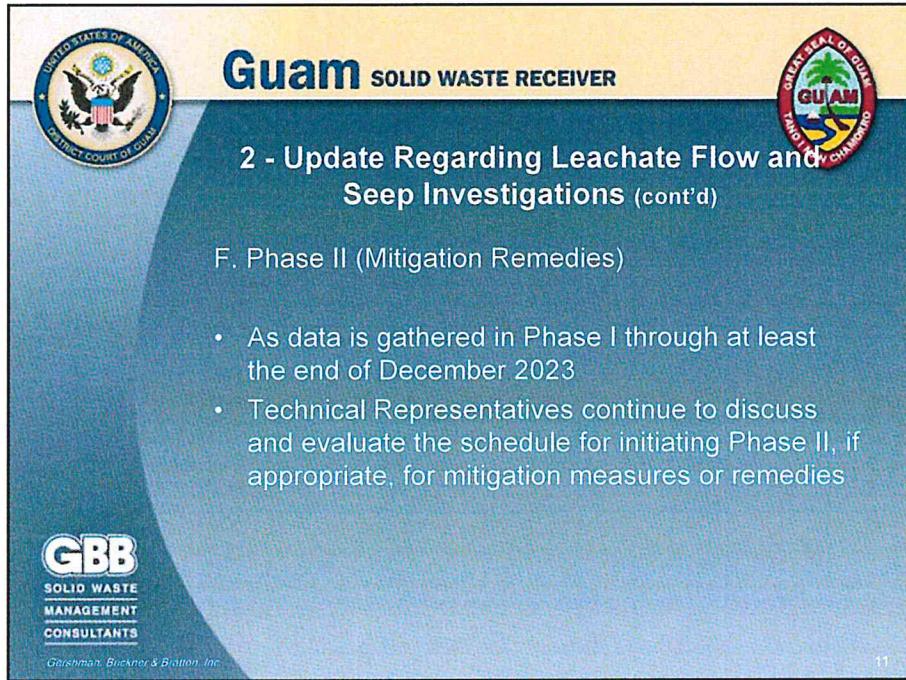
E. April 6, 2023, Heavy Precipitation Event (cont'd)

- Short-term increased precipitation events correspond to short-term increases in leachate flow on the east and west sides
- However, leachate flow dropped to normal dry season flow within a few days of the rain event.
- Groundwater elevations, precipitation and leachate flows will continue to be monitored to confirm patterns

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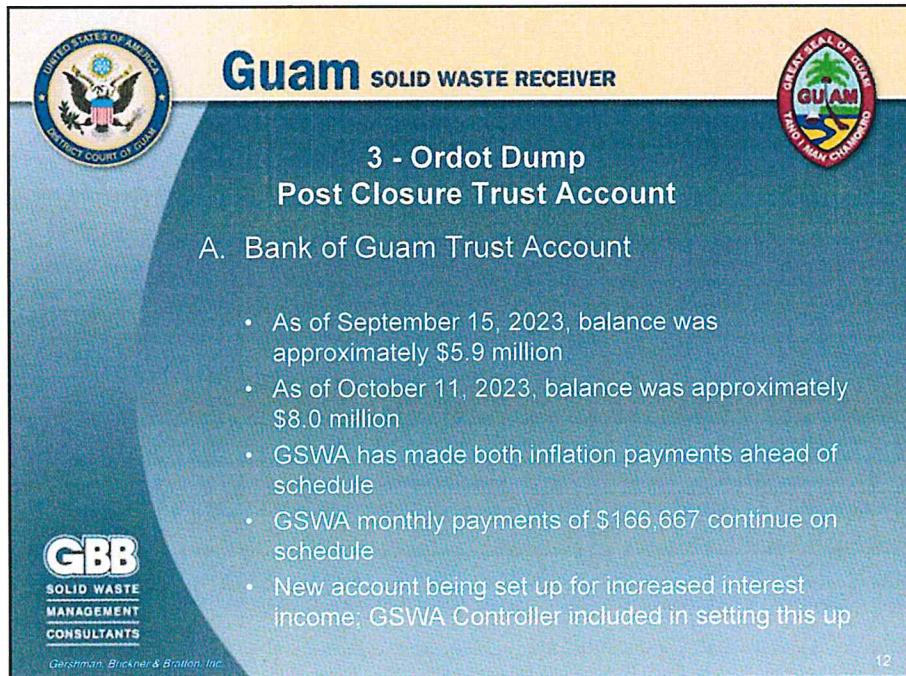
2 - Update Regarding Leachate Flow and Seep Investigations (cont'd)

F. Phase II (Mitigation Remedies)

- As data is gathered in Phase I through at least the end of December 2023
- Technical Representatives continue to discuss and evaluate the schedule for initiating Phase II, if appropriate, for mitigation measures or remedies

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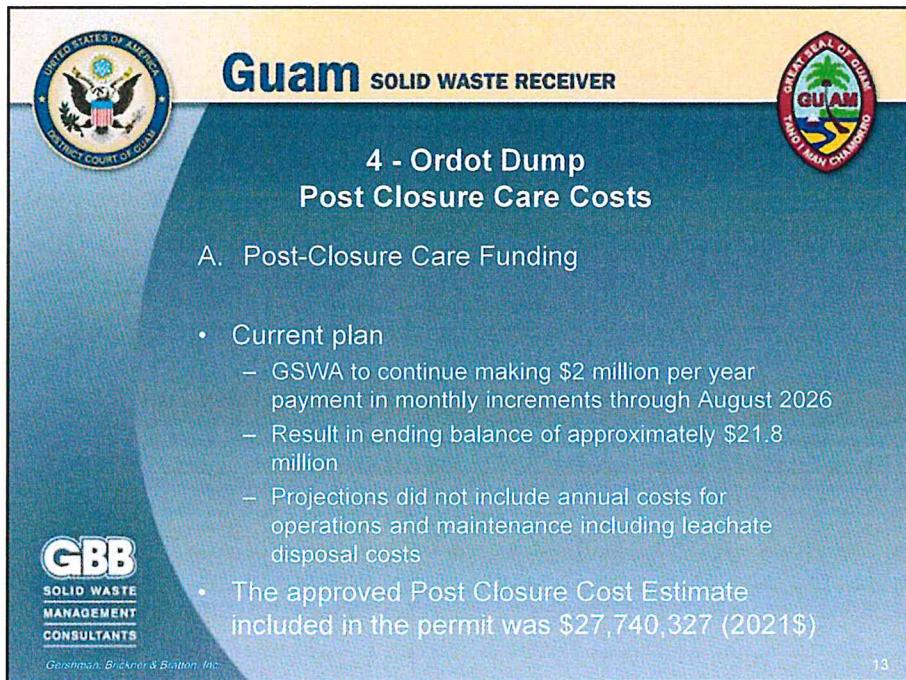
3 - Ordot Dump Post Closure Trust Account

A. Bank of Guam Trust Account

- As of September 15, 2023, balance was approximately \$5.9 million
- As of October 11, 2023, balance was approximately \$8.0 million
- GSPA has made both inflation payments ahead of schedule
- GSPA monthly payments of \$166,667 continue on schedule
- New account being set up for increased interest income; GSPA Controller included in setting this up

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4 - Ordot Dump
Post Closure Care Costs

A. Post-Closure Care Funding

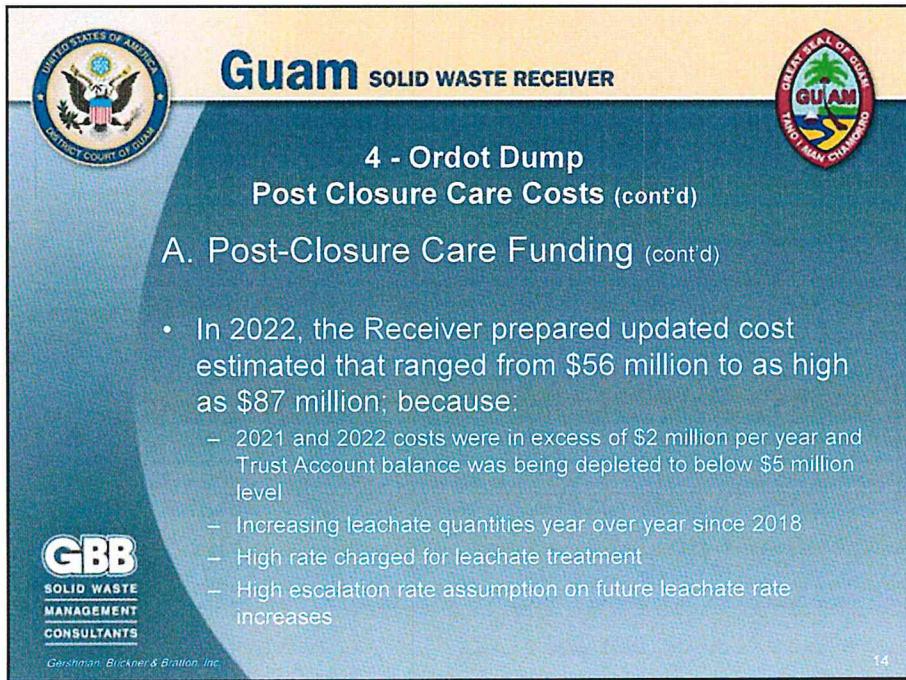
- Current plan
 - GSWA to continue making \$2 million per year payment in monthly increments through August 2026
 - Result in ending balance of approximately \$21.8 million
 - Projections did not include annual costs for operations and maintenance including leachate disposal costs
- The approved Post Closure Cost Estimate included in the permit was \$27,740,327 (2021\$)

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4 - Ordot Dump
Post Closure Care Costs (cont'd)

A. Post-Closure Care Funding (cont'd)

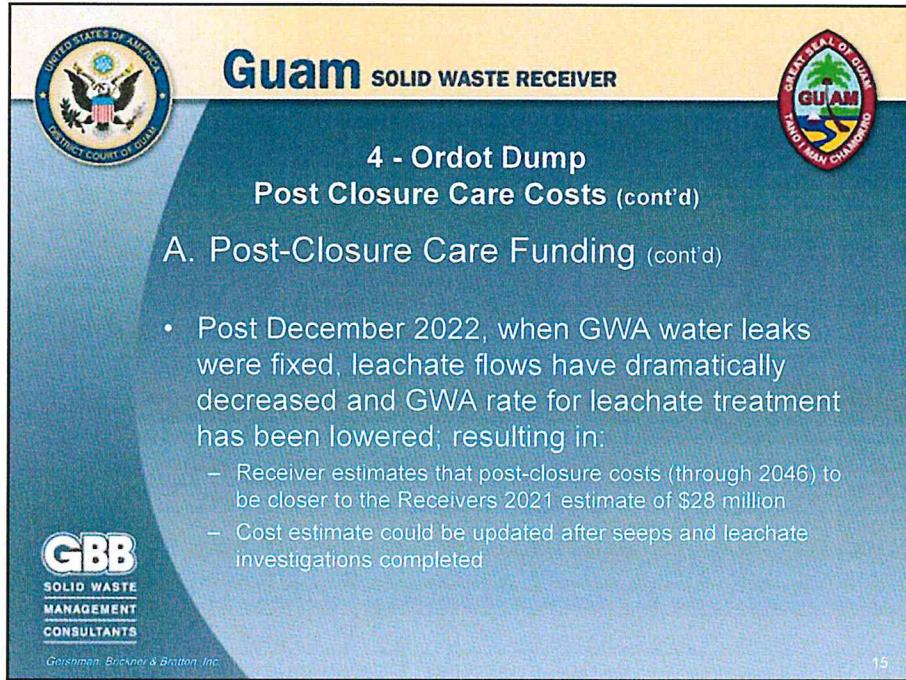
- In 2022, the Receiver prepared updated cost estimated that ranged from \$56 million to as high as \$87 million; because:
 - 2021 and 2022 costs were in excess of \$2 million per year and Trust Account balance was being depleted to below \$5 million level
 - Increasing leachate quantities year over year since 2018
 - High rate charged for leachate treatment
 - High escalation rate assumption on future leachate rate increases

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4 - Ordot Dump
Post Closure Care Costs (cont'd)

A. Post-Closure Care Funding (cont'd)

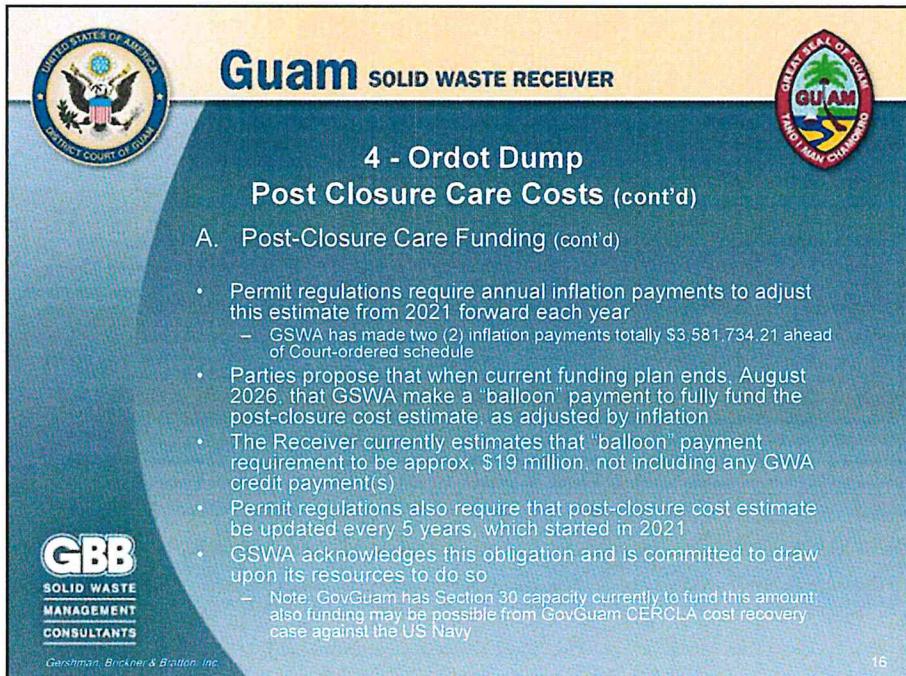
- Post December 2022, when GWA water leaks were fixed, leachate flows have dramatically decreased and GWA rate for leachate treatment has been lowered, resulting in:
 - Receiver estimates that post-closure costs (through 2046) to be closer to the Receivers 2021 estimate of \$28 million
 - Cost estimate could be updated after seeps and leachate investigations completed

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4 - Ordot Dump
Post Closure Care Costs (cont'd)

A. Post-Closure Care Funding (cont'd)

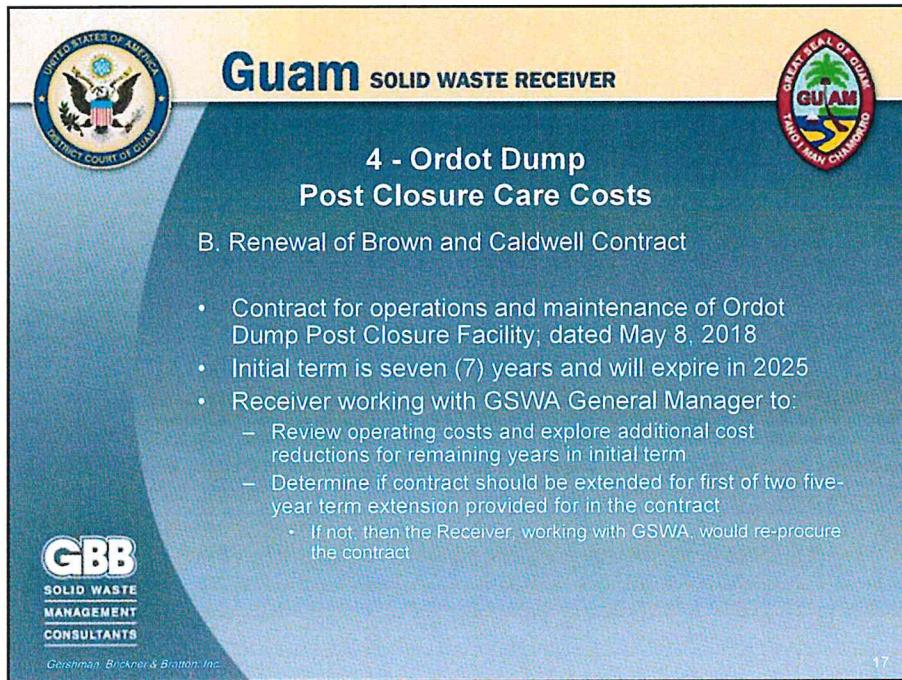
- Permit regulations require annual inflation payments to adjust this estimate from 2021 forward each year
 - GSWA has made two (2) inflation payments totally \$3,581,734.21 ahead of Court-ordered schedule
- Parties propose that when current funding plan ends, August 2026, that GSWA make a 'balloon' payment to fully fund the post-closure cost estimate, as adjusted by inflation
 - The Receiver currently estimates that 'balloon' payment requirement to be approx. \$19 million, not including any GWA credit payment(s)
 - Permit regulations also require that post-closure cost estimate be updated every 5 years, which started in 2021
 - GSA acknowledges this obligation and is committed to draw upon its resources to do so
 - Note: GovGuam has Section 30 capacity currently to fund this amount; also funding may be possible from GovGuam CERCLA cost recovery case against the US Navy

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4 - Ordot Dump
Post Closure Care Costs

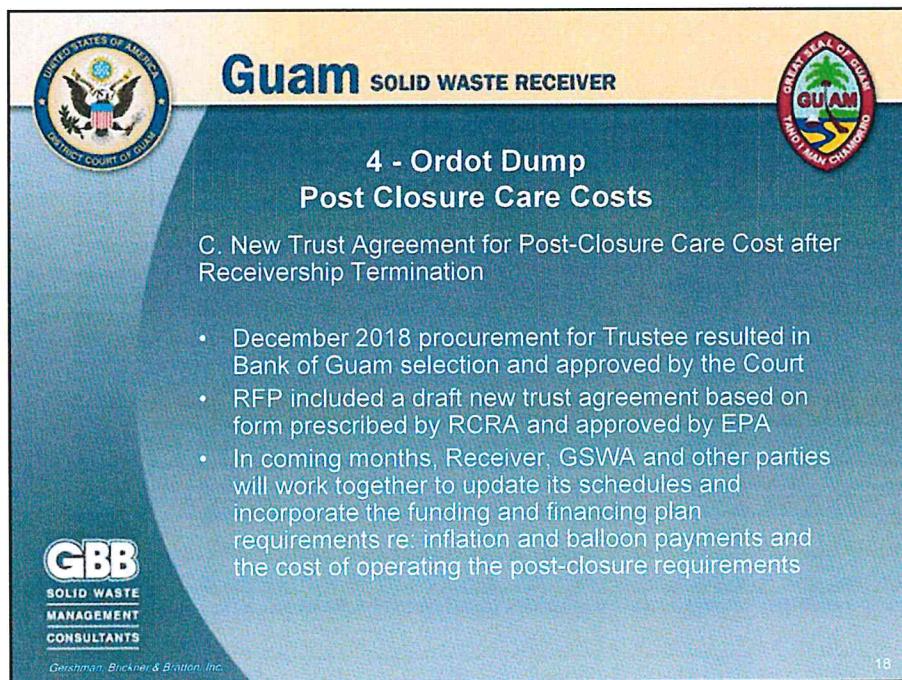
B. Renewal of Brown and Caldwell Contract

- Contract for operations and maintenance of Ordot Dump Post Closure Facility; dated May 8, 2018
- Initial term is seven (7) years and will expire in 2025
- Receiver working with GSWA General Manager to:
 - Review operating costs and explore additional cost reductions for remaining years in initial term
 - Determine if contract should be extended for first of two five-year term extension provided for in the contract
 - If not, then the Receiver, working with GSWA, would re-procure the contract

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4 - Ordot Dump
Post Closure Care Costs

C. New Trust Agreement for Post-Closure Care Cost after Receivership Termination

- December 2018 procurement for Trustee resulted in Bank of Guam selection and approved by the Court
- RFP included a draft new trust agreement based on form prescribed by RCRA and approved by EPA
- In coming months, Receiver, GSWA and other parties will work together to update its schedules and incorporate the funding and financing plan requirements re: inflation and balloon payments and the cost of operating the post-closure requirements

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5 – Termination of Receivership

A. SEP Certification

- On June 30, 2023, Receiver filed its portion of the SEP Completion Report
- GEPA is consulting with EPA and GSWA regarding GEPS's portion of the SEP Completion Report

B. Cessation Certification

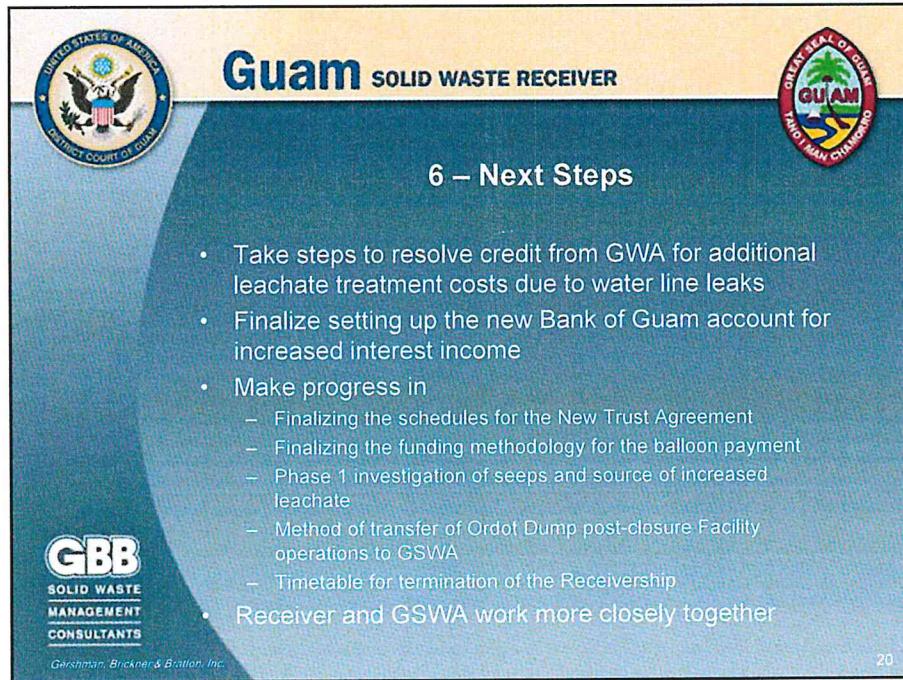
- GSWA/GovGuam is amendable to taking on this responsibility, and now has the technical expertise and personnel to do so.
- However, implementing transition now before Cessation Certification is granted, may complicate the process for issuing the certification of cessation of discharges to the waters of the US as required by the Consent Decree

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6 – Next Steps

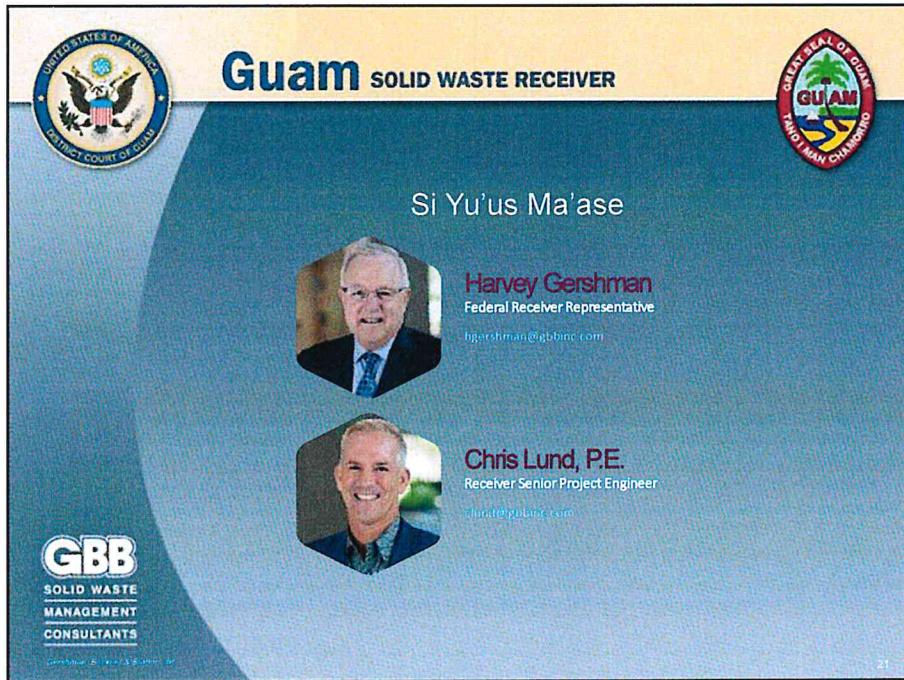
- Take steps to resolve credit from GWA for additional leachate treatment costs due to water line leaks
- Finalize setting up the new Bank of Guam account for increased interest income
- Make progress in
 - Finalizing the schedules for the New Trust Agreement
 - Finalizing the funding methodology for the balloon payment
 - Phase 1 investigation of seeps and source of increased leachate
 - Method of transfer of Ordot Dump post-closure Facility operations to GSWA
 - Timetable for termination of the Receivership
- Receiver and GSWA work more closely together

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